

**TARIFF SCHEDULES
APPLICABLE TO
INTEREXCHANGE TELECOMMUNICATIONS
NAMING
RATES, RULES AND REGULATIONS
GOVERNING OPERATIONS
OF
BUSINESS TELECOM, INC., d/b/a BTI Telecommunications Services
4300 Six Forks Road
Raleigh, North Carolina 27609
919-510-7000
800-849-9100**

(D)

CHECK SHEET

Pages listed below of this tariff are effective as of the date shown at the bottom of each sheet. Original and revised pages, as named below, contain all changes from the original tariff that are in effect on the date thereon except as otherwise noted.

Sheet	Revision		Sheet	Revision		Sheet	Revision	
1	1 st Rev.		13.3	Original		33	Original	
2	5 th Rev.	*	13.4	Original		34	Original	
2.1	2 nd Rev.	*	13.5	Original		35	Original	
3	Original		13.6	Original		36	Original	
4	Original		13.7	Original		37	Original	
5	Original		14	1 st Rev.		38	Original	
6	Original		15	1 st Rev.		39	Original	
7	1 st Rev.		16	1 st Rev.		40	Original	
8	Original		17	Original		41	Original	
9	1 st Rev.		18	Original		42	Original	
9.1	Original		19	Original		43	Original	
9.2	Original		20	Original		44	Original	
9.3	Original		21	Original		45	Original	
10	1 st Rev.		22	2 nd Rev.		46	Original	
11	1 st Rev.		23	2 nd Rev.		47	Original	
12	2 nd Rev.		24	Original		48	1 st Rev.	*
12.1	1 st Rev.		25	Original		49	1 st Rev.	*
12.2	1 st Rev.		26	1 st Rev.	*	50	1 st Rev.	*
12.3	1 st Rev.		27	Original		51	Original	
12.4	1 st Rev.		28	Original		52	Original	
12.5	Original		29	Original		53	Original	
13	2 nd Rev.		30	Original		54	Original	
13.1	1 st Rev.		31	Original		55	Original	
13.2	Original		32	Original		56	1 st Rev.	*

* - Indicates pages included with this filing.

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ORIGINAL

CHECK SHEET, (CONT'D.)

Sheet	Revision		Sheet	Revision		Sheet	Revision
57	Original		78	Original	*		
58	1 st Rev.	*	79	Original	*		
59	1 st Rev.						
60	Original						
61	1 st Rev.	*					
62	1 st Rev.	*					
63	1 st Rev.	*					
64	Original						
65	Original						
66	1 st Rev.	*					
67	Original						
68	1 st Rev.	*					
69	Original						
70	Original						
71	Original						
72	Original						
72.1	Original	*					
72.2	Original	*					
72.3	Original	*					
72.4	Original	*					
72.5	Original	*					
73	Original	*					
74	Original	*					
75	Original	*					
76	Original	*					
77	Original	*					

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SYMBOLS

Explanation of Symbols • When changes are made in any tariff sheet, a revised sheet will be issued canceling the tariff sheet affected. Changes will be identified on the revised sheet(s) through the use of the following symbols:

(D) - Delete or Discontinue.

(I) • Change Resulting in an Increase to a Customer's Bill

(M) - Moved from another Tariff Location.

(N) - New

(R) - Change Resulting in a Reduction to a Customer's Bill.

(T) • Change in Text or Regulation, but No Change in Rate or Charge.

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Effective: June 23, 1999

Issued by: Anthony M. Copeland
Executive Vice President and General Counsel

AZ09902

TARIFF FORMAT

ORIGINAL

A. Page Numbering - Page numbers appear in the upper right corner of the page. Pages are numbered sequentially. However, new pages are occasionally added to the tariff. When a new page is added between pages already in effect, a decimal is added. For example, a new page added between pages 14 and 15 would be 14.1.

B. Page Revision Numbers - Revision numbers also appear in the upper right corner of each page. These numbers are used to determine the most current page version on file with the ACC. For example, the 4th revised Page 14 cancels the 3rd revised Page 14. Because of various suspension periods, deferrals, etc. the ACC follows in their tariff approval process, the most current page number on file with the Commission is not always the tariff page in effect. Consult the Check Sheet for the page currently in effect.

C. Paragraph Numbering Sequence - There are nine levels of paragraph coding. Each level of coding is subservient to its next higher level:

- 2.
- 2.1.
- 2.1.1.
- 2.1.1.(A).
- 2.1.1.(A).1.
- 2.1.1.(A).1.(a).
- 2.1.1.(A).1.(a).I.
- 2.1.1 .(A).1 .(a).I.(i).

D. Check Sheets - When a tariff filing is made, an updated check sheet accompanies the tariff filing. The Check Sheet lists the pages contained in the tariff, with a cross reference to the current revision number. When new pages are added, the Check Sheet is changed to reflect the revision. All revisions made in a given filing are designated by an asterisk (*). There will be no other symbols used on this page if these are the only changes made to it (i.e., the format, etc. remains the same, just revised revision levels on some pages.) The tariff user should refer to the latest check sheet to find out if a particular page is the most current on file with the Arizona Corporation Commission.

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APPLICATION OF TARIFF

ORIGINAL

This tariff contains the regulations and rates applicable to the furnishing of intrastate resale common carrier telecommunications service by Business Telecom, Inc., d/b/a BTI Telecommunications Services ("BTI") in the state of Arizona.

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A.209902

SECTION 1 • TECHNICAL TERMS AND ABBREVIATIONS

ORIGINAL

Access Number - This is the telephone number which a Customer uses to access Company's computer in order to be connected to Company's system.

Association Discount - An additional discount provided to a trade association representing business entities or individuals within an industry, professional or business classification, or a commercial organization with affiliated franchises, independent agents, distributors, or multiple commercial representatives or a buying group not organized solely for the purposes of qualifying for the discounts provided for herein to commercial associations.

Authorized User - A person, firm, corporation or other legal entity which is authorized by the Customer to utilize or be connected to the service of the Customer. An authorized user is other than an employee, officer or director of Customer if Customer is a company, and other than a family member of person residing with Customer if Customer is a residential user. Customer is responsible for all charges incurred by Authorized Users.

BTI - Business Telecom, Inc., d/b/a BTI Telecommunications Services, the issuer of this tariff.

Company - BUSINESS TELECOM, INC., d/b/a BTI Telecommunications Services, 4300 Six Forks Road, Suite #500, Raleigh, North Carolina, 27609, a North Carolina corporation.

Customer - The natural person or legal entity which orders Service and is responsible for the payment of charges accruing as a result of using the Service. Customers are divided into commercial and residential classes, but only for accounting purposes.

Customer Identification Number - A numerical code which is assigned to each Customer to enable the Customer to access Company's Service. A Customer with several Authorized Users may have several different numerical codes. Customer Identification Numbers are used by the Company both to prevent unauthorized access to the Service and to identify Customers for billing purposes.

Facilities - Company's facilities consist of facilities which Company leases and for which Company renders a bill for payment to its Customers, whether or not such Facilities are actually owned by Company. Company's Facilities also include the computerized switching equipment which is used by Company to connect Customer's local call to a facility provided by an underlying facilities-based long distance Carrier over whose circuits the Customer's call is routed.

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ORIGINAL

SECTION 1 - TECHNICAL TERMS AND ABBREVIATIONS, (CONT'D.)

Itemized Billing - A billing report which indicates the telephone number to which calls are made and the duration of each call.

Intrastate - Calls which originate and terminate between any two points in Delaware.

Management Report - A billing report which assists management in monitoring calls made by Authorized Users by listing calls by Customer Identification Numbers and Project Codes.

Mileage - In calculating rates based on mileage, the measurement of distance is the air miles between the offices of the local telephone companies which originate and terminate the calls.

Project Codes - A number sequence which is dialed after the Customer Identification Number which is used by Customer to identify to which project or client a call should be billed.

Special Service - Labor and expenditures required by Customer to provide service outside the scope of normal services. This class of service includes without limitation services whereby Company is required to incur unusual costs for engineering, purchases, labor or other related costs to provide the Customer-requested service.

Speed Numbers - Telephone numbers stored in Company's switch allow Customer, after accessing the switch, to push a limited number of buttons on its phone and have the switch dial the requested stored phone number, eliminating extra digit dialing for Customer.

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SECTION 2 - RULES AND REGULATIONS

ORIGINAL

2.1 Undertaking of the Company

BTI Services and facilities are furnished for communications originating and terminating within the state of Arizona under the terms of this tariff.

BTI undertakes to provide the services offered in this tariff in accordance with the terms and conditions set forth under this tariff. BTI may act as the Customer's agent for ordering access connection facilities provided by other carriers or entities, when authorized by the Customer, to allow connection of a customer's location to the BTI network. The Customer shall be responsible for all charges due for such service arrangement.

The Company's services and facilities are provided on a monthly basis unless otherwise specified, and are available twenty-four hours per day, seven days per week.

2.2 Limitations

- 2.2.1** Service is offered subject to the availability of the necessary facilities and equipment and subject to the provisions of this tariff.
- 2.2.2** BTI reserves the right to discontinue or limit service when necessitated by conditions beyond its control, or when the Customer is using service in violation of provisions of this tariff, or in violation of the law.
- 2.2.3** The Company does not undertake to transmit messages, but offers the use of its facilities when available, and will not be liable for errors in transmission or for failure to establish connections.

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SECTION 2 - RULES AND REGULATIONS, (CONT'D.)

ORIGINAL

2.3 Use

Services provided under this tariff may be used for any lawful purpose for which the service is technically suited.

2.4 Liability

2.4.1 The Company shall not be liable for claim or loss, expense or damage (including indirect, special or consequential damage), for any interruption, delay, error, omission, or defect in any service, facility or transmission provided under this tariff, if caused by any person or entity other than the Company, by any malfunction of any service or facility provided by any other carrier, by an act of God, fire, war, civil disturbance, or act of government, or by any other cause beyond the Company's direct control.

2.4.2 The Company shall not be liable for, and shall be fully indemnified and held harmless by Customer and Subscriber against any claim or loss, expense, or damage (including indirect, special or consequential damage) for defamation, libel, slander, invasion, infringement of copyright or patent, unauthorized use of any trademark, tradename or service mark, unfair competition, interference with or misappropriation or violation of any contract, proprietary or creative right, or any other injury to any person, property or entity arising out of the material, data, information, or other content revealed to, transmitted, or used by the Company under this tariff; or for any act or omission of the Customer or Subscriber; or for any personal injury or death of any person caused directly or indirectly by the installation, maintenance, location, condition, operation, failure, presence, use, or removal of equipment or wiring provided by the Company, if not directly caused by negligence of the Company.

2.4.3 The Company shall not be liable for any defacement of or damages to the premises of a Subscriber resulting from the furnishing of service which is not the direct result of the Company's negligence.

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SECTION 2 - RULES AND REGULATIONS, (CONT'D.)

ORIGINAL

2.5 Installation and Termination

Service is installed upon contractual agreement between the Subscriber and the Company. The contractual agreement specifies the terms and conditions of installation, termination of service, commission structure, and commission payment schedule. The service contract does not alter rates specified in the tables and schedules contained in this tariff. Service contracts do not apply to End Users.

2.6 Terminal Equipment

Carrier's facilities and service may be used with or terminated in Subscriber provided terminal equipment or Subscriber provided communications systems, such as a PBX or pay telephone. Such terminal equipment shall be furnished and maintained at the expense of the Subscriber, except as otherwise provided. The Subscriber is responsible for all costs at his/her premises, including Subscriber personnel, wiring, electrical power, and the like, incurred in his/her use of Carrier's services. When such terminal equipment is used, the equipment shall comply with the generally accepted minimum protective criteria standards of the telecommunications industry as endorsed by the Federal Communications Commission.

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SECTION 2 - RULES AND REGULATIONS, (CONT'D)

2.7 Payment for Service

2.7.1 Payment for Service

The Customer is responsible for the payment of all charges for facilities and services furnished by the Company to the Customer. The requirements listed below apply to all Customers (Business, Residential and Student) of the Company. See Section 2.7.3 for special payment arrangements applicable to Residential and Student Customers.

The Customer is responsible for the payment of federal excise taxes, state and local sales and use taxes and similar taxes imposed by governmental jurisdictions, all of which shall be separately designated on the Company's invoices. Any taxes imposed by a local jurisdiction (e.g., county and municipal) will only be recovered from those Customers residing in the affected jurisdictions.

Certain telecommunications services are subject to state sales tax at the prevailing tax rates, if the services originate, or terminate in Arizona, or both, and are charged to a subscriber's telephone number or account in Arizona.

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SECTION 2 - RULES AND REGULATIONS, (CONT'D)

2.7 Payment Arrangements

2.7.2 Billing and Collection of Charges

The Customer is responsible for payment of all charges incurred by the Customer or other users for services and facilities furnished to the Customer by the Company.

- (A) Monthly charges are due and payable within twenty-four (24) days after the date the invoice is mailed to the Customer by the Company. When billing is based upon Customer usage, usage charges will be billed monthly for the preceding billing period.

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SECTION 2 - RULES AND REGULATIONS, (CONT'D)

2.7 Payment Arrangements, (Cont'd.)

2.7.2 Billing and Collection of Charges, (cont'd.)

- (B) When service does not begin on the first day of the month, or end on the last day of the month, the charge for the fraction of the month in which service was furnished will be calculated on a pro rata basis. For this purpose, every month is considered to have thirty (30) days.
- (C) Billing of the Customer by the Company will begin on the Service Commencement Date, which is the day on which the Company notifies the Customer that the service or facility is available for use, except that the Service Commencement Date may be postponed by mutual agreement of the parties, or if the service or facility does not conform to standards set forth in this tariff or the Service Order. Billing accrues through and includes the day that the service, circuit, arrangement or component is discontinued.
- (D) Residential Customers shall render payment by using one of BTI's Preferred Payment Methods. Customers that do not utilize a Preferred Payment Method shall bear a monthly processing fee at the lesser of \$5.00 or the maximum rate permitted by law. Students shall render payment by using one of BTI's Required Payment Methods.
- (E) If any portion of the payment is not received by the Company within 30 days of receipt of the bill, or if any portion of the payment is received by the Company in funds that are not immediately available upon presentment, then a late payment charge of 1.5% per month shall be due to the Company. A late payment charge is not applicable to subsequent rebilling of any amount to which a late payment charge has already been applied. Late payment charges are to be applied without discrimination.

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SECTION 2 - RULES AND REGULATIONS, (CONT'D)

2.7 Payment Arrangements, (Cont'd.)

2.7.2 Billing and Collection of Charges, (cont'd.)

- (F) The Customer should notify the Company of any disputed items on an invoice within thirty (30) days of receipt of the invoice. If the Customer and the Company are unable to resolve the dispute to their mutual satisfaction, the Customer may file a complaint with the Commission as defined in Section 2.15 of this tariff.

2.7.3 Special Billing Arrangements for Residential and Student Customers

Residential Customers and Student Customers shall render payment in accordance with one of the payment methods specified below:

(A) Preferred Payment Methods for Residential Accounts:

- (1) Automatic Bank Draft – Payment on account is automatically charged to Customer's chosen bank account on or before Day 24 after the date of the invoice.
- (2) Automatic Credit Card Payment – Payment on account is automatically charged to Customer's chosen credit card on or before Day 24 after the date of invoice.
- (3) Electronic Payment – Payment on account is made by the Customer through the BTI Electronic Payment System on or before Day 24 after the date of the invoice.

**ADMINISTRATIVELY
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SECTION 2 - RULES AND REGULATIONS, (CONT'D.)

2.8 Deposits and Advance Payments

The Company may require a deposit or advance payment from the Customer. Deposits and advance payments are collected in accordance with commission rules.

2.9 Taxes

All state and local taxed (i.e., gross receipts tax, sales tax, municipal utilities tax) are listed as separate line items and are not included in the quoted rates.

2.10 Cancellation by Customer

Customer may cancel service by providing 30 days written notice to the Company.

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Service continues to be provided until cancelled by the customer, in writing, or until cancelled by the Carrier as set forth below. Carrier may render bills subsequent to the termination of service for charges incurred before termination.

(N)

2.10.1 Cancellation by the Customer

A customer may have his service disconnected upon written notice to Carrier. The Carrier will hold the customer responsible for payment of all bills for service furnished until the cancellation date specified by the customer or until the date written cancellation notice is received, whichever is later. Customers must provide 30 days written notice of cancellation in advance.

(N)

(M)

(M)

Material originally found on this page can now be found on Page 13.1.

**ADMINISTRATIVELY
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SECTION 2 - RULES AND REGULATIONS, (CONT'D.)

2.10 Cancellation by Customer, (Cont'd.)

2.10.2 Cancellation by the Carrier

- (a) **For Nonpayment:** The Carrier, by written notice to the customer and in accordance with the rules and regulations of the Arizona Corporation Commission, may discontinue service or cancel an application for service without incurring any liability when there is an unpaid bill due to the Carrier for service that is more than 30 days overdue.
- (b) **For Returned Checks:** A customer whose check is returned unpaid for any reason, after two attempts at collection, will be subject to discontinuance of service in the same manner as for non-payment of overdue charges.
- (c) **For Lack of Use:** The Carrier, by written notice to the customer, may discontinue service in the same manner as provided for non-payment of overdue charges if after three full billing cycles the service has not been used.

2.10.3 Restoration of Service

If a customer's service has been terminated for nonpayment or as otherwise provided herein and the customer wishes it continued, service will be restored when all past due amounts are paid.

2.11 Interconnection

Service furnished by BTI may be connected with the services or facilities of other carriers. Some of this tariff anticipates the use of such facilities for special (dedicated) originating access service. Such service or facilities are provided under the terms, rates and conditions of the other carrier. The customer is responsible for all charges billed by other carriers for use in connection with BTI's service. Any special interface equipment or facilities necessary to achieve compatibility between carriers is the responsibility of the customer.

Material on this page was originally found on Page 13.

**ADMINISTRATIVELY
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SECTION 2 - RULES AND REGULATIONS, (CONT'D.)

ORIGINAL

2.8 Deposits and Advance Payments

The Company may require a deposit or advance payment from the Customer. Deposits and advance payments are collected in accordance with commission rules.

2.9 Taxes

All state and local taxed (i.e., gross receipts tax, **sales tax**, municipal utilities tax) are listed as separate line items and are not included in the quoted rates.

2.10 Cancellation by Customer

Customer may cancel service by providing 30 days written notice to the Company.

2.11 Interconnection

Service furnished by BTI may be connected with the services or facilities of other carriers. Some of this tariff anticipates the use of such facilities for special (dedicated) originating access service. Such service or facilities are provided under the terms, rates and conditions of the other carrier. The customer is responsible for all charges billed by other carriers for use in connection with **BTI's** service. Any special interface equipment or facilities necessary to achieve compatibility between carriers is the responsibility of the customer.

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SECTION 2 - RULES AND REGULATIONS, (CONT'D.)

ORIGINAL

2.12 Access to Other Carriers

Neither the Company nor its Subscribers may block access to other certificated carriers unless a waiver is granted by the Arizona Corporation Commission.

2.13 Access Charges

The Company, either directly or indirectly through its underlying carriers, will pay intrastate access charges for use of local exchange company facilities when completing intrastate Arizona calls.

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Executive Vice President and General Counsel
AZ09902

SECTION 2 • RULES AND REGULATIONS, (CONT'D.)

ORIGINAL

2.14 Refusal or Discontinuance by Company

Without incurring liability, the Carrier may immediately discontinue or cancel service:

Service may be disconnected without advance written notice under the following conditions:

- a)** the existence of an obvious hazard to the safety or health of the consumer of the general population or the Company's personnel or facilities;
- b)** the Company has evidence of tampering or the evidence of fraud.

Service may be disconnected provided that the Company has provided five days' written notice as established by the AZ C.C. under the following conditions:

- a)** Customer violation of any of the utility's tariffs filed with the Commission and/or violation of the Commission's rules and regulations.
- b)** Failure of the Customer to pay a bill for service.
- c)** Failure to ~~meet~~ or maintain the Company's credit and deposit requirements (if any).
- d)** Failure of the Customer to provide the utility reasonable access to its equipment and property.
- e)** Customer breach of contract for service between the Company and Customer
- f)** When necessary for the Company to comply with an order of any governmental agency having such jurisdiction.

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SECTION 2 . RULES AND REGULATIONS, (CONT'D.)

ORIGINAL

2.15 Complaint Procedures

Customer complaints and inquiries regarding their bills may be directed to the toll-free number provided by the billing agent on the bill. In addition, inquiries and complaints may also be directed to:

Customer Service Department
Business Telecom, Inc., d/b/a BTI Telecommunications Services
4300 Six Forks Road, Suite 500
Raleigh, North Carolina 26709

(919) 510-7000
(800) 849-9 100

If not satisfied with the Company's response, customers may contact:

Consumer Service Section
Arizona Corporation Commission
1200 West Washington Street
Phoenix, AZ 85007
(602) 542-425 1

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SECTION 3 - DESCRIPTION OF SERVICES

ORIGINAL

3.1 General

BTI provides direct dialed, travel card and operator assisted long distance telecommunications services originating and terminating within the State of Arizona. Rates for these services may vary by product type, call duration, mileage and time of day. All BTI services are available 24 hours a day, seven days a week.

3.2 Timing of Calls

Long distance charges are based on the actual usage of BTI's network. Chargeable time begins when the called party answers, or when the billed party of a collect or person call accepts the charges. Chargeable time ends when either party disconnects.

Minimum call durations and rounding of usage measurements for billing purposes are specified in Section 4 of this tariff for each service provided by the Company.

There is no billing applied for incomplete calls.

The appropriate rates apply for day, evening and night/weekend calls based on the following chart.

Times	Mod	Tues	Wed	Thur	Fri	Sat	Sun
8:00 am to 5:00 pm *	Daytime Period						Eve
5:00 pm to 11:00 pm *	Evening Period						
11:00 pm to 8:00 am *	Night/Weekend Period						

The appropriate rates apply for Peak and Non-Peak calls based on the following chart.

Times ☼	Mon	Tues	Wed	Thur	Fri	-Sat	Sun
8:00 am to 5:00 pm *	Peak Period						
5:00 pm to 8:00 am *	Non-Peak Period						

* - to but not including

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SECTION 3 - DESCRIPTION OF SERVICES

ORIGINAL

3.2 Timing of Calls, (Cont'd.)

The evening rates apply to the holidays listed below unless a lower rate normally applies:

- | | |
|--------------------|---------------------------|
| ▪ New Year's Day | January 1 |
| ▪ Memorial Day | Nationally Recognized Day |
| ▪ Independence Day | July 4 |
| ▪ Thanksgiving Day | Nationally Recognized Day |
| ▪ Christmas Day | December 25 |

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Executive Vice President and General Counsel

AZ09902

SECTION 3 - DESCRIPTION OF SERVICES, (CONT'D)

ORIGINAL

3.3 Calculation of Distance

Usage charges for all mileage sensitive products are based on the airline distance between rate centers associated with the originating and terminating points of the call.

The airline mileage between rate centers is determined by applying the formula below to the vertical and horizontal coordinates associated with the rate centers involved. The Company uses the rate centers and associated vertical and horizontal coordinates that are produced by Bell Communications Research in the NPA-NXX V & H Coordinates Tape and Bell's NECA Tariff No. 4.

FORMULA =
$$\sqrt{\frac{(V1 - V2)^2 + (H1 - H2)^2}{10}}$$

3.4 Directory Assistance

This service is provided on a pass-through basis to a carrier offering directory assistance. Billing is provided by Company at a flat rate per call provided the Customer dials Directory Assistance using the Company switch. Charges for Directory Assistance shall not be applied to subscribers who are blind or physically handicapped to the extent they are unable to use the telephone directory.

**ADMINISTRATIVELY
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SECTION 3 - DESCRIPTION OF SERVICES, (CONT'D.)

ORIGINAL

3.5 BTI One Plus Services

BTI One Plus Services are available for business and residential customers who; 1) subscribe their local access lines to BTI's network, 2) dial the Company's access code to gain access to the BTI network, or 3) purchase dedicated access facilities from other service providers to connect their premises to BTI's network facilities.

BTI One Plus Services are listed in Section 4 following. The minimum and additional billing increments, as well as any applicable recurring and non-recurring charges are provided for each specific service.

3.6 BTI Travel Card Services

BTI Travel Card Service permits customers to place calls using BTI's service when away from their primary place of business or residence. Callers must dial an "800" access code and individual identification number to use the service.

BTI Travel Card Services are listed in Section 4 following. The minimum and additional billing increments, as well as any applicable per call service charges are provided for each specific service.

**ADMINISTRATIVELY
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SECTION 3 - DESCRIPTION OF SERVICES, (CONT'D.)

ORIGINAL

3.7 BTI Operator Services

BTI Operator Services are available to subscriber locations which offer their telephones for the use of the transient public. BTI provides the following billing arrangements for End Users of **BTI's** Operator Services:

a) Customer Dialed Calling/Credit Card

This is a service whereby the end user dials all of the digits necessary to route and bill the call without any operator assistance. Such calls may be billed either to a telephone company issued calling card or a commercial credit card.

b) Operator Station

This is a service whereby the caller places a non-person-to-person call with the assistance of an operator (live or automated). When placing an operator station call, the caller is connected to a non-specified individual at the terminating end. Such calls may be billed to a calling card, credit card, the called number (collect) or a valid third party telephone number.

c) Person-to-Person

This is a service whereby the person originating the call specifies to **BTI's** operator a particular person to be reached, or a particular person, station, room number, department, or office to be reached through a PBX attendant. Person-to-person calls may be billed to a calling card, credit card, the called number (collect) or a valid third party telephone number.

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SECTION 4 - RATES AND CHARGES

ORIGINAL

4.1 General

In addition to charges based on usage, the following charges will apply to all classes of Customers.

1. Additional Customer Identification Numbers: Free
2.

Project Codes:	Installation	Monthly
Unrestricted	\$0	\$0
Restricted	\$10	\$10
3. Management Reports: Free

4.2 Directory Assistance

This service is provided on a pass-through basis to a carrier offering directory assistance. Billing is provided by Company at a flat rate of \$0.95 per call provided the Customer dials Directory Assistance using the Company switch. Charges for Directory Assistance shall not be applied to subscribers who are blind or physically handicapped to the extent they are unable to use the telephone directory.

4.3 Promotional Rates

From time to time, Company may offer Promotional Rates. Promotional Rates will be offered on a non-discriminatory basis and shall be filed with the Commission for review at least 14 days prior to implementation.

Any marketing efforts will clearly indicate to the potential customers the nature of the transaction which is being offered. Materials submitted to prospective customers will clearly indicate that those customers will be changing their long distance carrier if they accept such solicitation.

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SECTION 4 - RATES AND CHARGES, (CONT'D.)

ORIGINAL

4.4 **Referral Program**

Monthly recurring charges may be waived for new Customers who provide the Company with five (5) new Customer referrals within 90 days of subscribing.

4.5 **Term Plan**

Customers who sign a term contract with the Company for periods outlined below will be eligible for the discounts indicated:

a) Corporate:	12 Months	5 %
	24 Months	10%
	36 Months	15%
b) Residential:	12 Months	5 %
	24 Months	10%
	36 Months	15%

4.6 **Returned Check Charge**

A fee of \$10.00 will be charged for returned checks.

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SECTION 4 - RATES AND CHARGES, (CONT'D.)

4.7 Econocall Service is the basic long-distance service offered to business and residential Customers. The following charges will apply to all Econocall Service Customers.

1. Installation Charge: Not applicable
2. Monthly Access: \$0.00
3. Minimum Billing Increment: 1 minute
4. Additional Billing Increment: whole minutes
5. Per Minute Usage Charges:

Intrastate Per Minute Rates:

Mileage Range	DAY		Evening		Night	
	First Minute	Add'l Minute	First Minute	Add'l Minute	First Minute	Add'l Minute
1-10	.1550	.1039	.1125	.0767	.0921	.0636
11-16	.1950	.1336	.1425	.0900	.1173	.0823
17-22	.2250	.1633	.1650	.1212	.1362	.1010
23-30	.2450	.1732	.1800	.1287	.1488	.1073
31-40	.2450	.2128	.1800	.1584	.1488	.1322
41-55	.2450	.2128	.1800	.1584	.1488	.1322
56-70	.2550	.2227	.1875	.1658	.1551	.1385
71-124	.2650	.2425	.1950	.1806	.1614	.1509
125-292	.2850	.2425	.2100	.1806	.1740	.1509
293-over	.2950	.2623	.2175	.1955	.1803	.1634

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SECTION 4 - RATES AND CHARGES, (CONT'D.)

ORIGINAL

4.7 Econocall Service (Cont'd.)

6. Discounts:

Discounts based on dollar volume are available as follows:

Dollar Volume		Discount
From	TO	
\$25.00	\$99.00	2.0 %
\$100.00	\$100.00 +	5.0 %

7. Other:

TDD Discount

A telephone toll message which is communicated using a telecommunications device for the deaf (TDD) by or to properly certified hearing or speech impaired persons or properly certified business establishments or individuals equipped with TDDs for communication with hearing or speech impaired persons will receive, upon request, credit on charges for all intrastate toll calls placed between TDDs. The credit will be limited to usage charges and will be given on a subsequent bill.

TDD Discount: 50 %

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SECTION 4 - RATES AND CHARGES, (CONT'D.)

4.8 Travel Service (987)

(T)

Travel Service (987) allows Customers to initiate calls within the State of Arizona using a touchtone telephone. It involves dialing an access number (local or 800), followed by the Customer's authorization code (Customer Identification Number), and then the called number.

(T)

- | | |
|----------------------------------|----------------|
| 1. Installation Charge: | Not applicable |
| 2. Monthly Access: | \$0.00 |
| 3. Minimum Billing Increment: | 30 seconds |
| 4. Additional Billing Increment: | 6 seconds |
| 5. Per Minute Usage Charges: | |

<u>Mileage Range</u>	<u>Day</u>	<u>Evening</u>	<u>Night</u>
All Miles	\$0.2200	\$0.1800	\$0.1800

Per Call Initiation Charge:	\$0.35
-----------------------------	--------

- | | |
|---------------|----------------|
| 6. Discounts: | Not Applicable |
| 7. Other: | Not Applicable |

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SECTION 4 - RATES AND CHARGES, (CONT'D.)

ORIGINAL

- 4.9 Dial WATS Service** - Charges for Intrastate Dial WATS Service depend on whether the Customer is using the Service as an adjunct to Interstate Dial WATS I or Intrastate Dial WATS II. Charges are the same regardless of whether the Customer uses 1+ Service.

1. Installation Charge: Not applicable
2. Monthly Access: \$50.00 Dial WATS I;
\$10.00 Dial WATS II
3. Minimum Billing Increment: 30 seconds
4. Additional Billing Increment: Six seconds
5. Per Minute Usage Charges:

Mileage R a n g e	Day	Evening	Night
Dial WATS I IntraLATA	\$0.2200	\$0.2200	\$0.2200
Dial WATS I InterLATA	\$0.1900	\$0.1520	\$0.0950
Dial WATS II IntraLATA	\$0.1750	\$0.1400	\$0.0970
Dial WATS II InterLATA	\$0.1750	\$0.1400	\$0.0970

6. Discounts:

Volume Discount is offered on any monthly bill which has total usage charges for Dial WATS I and Dial WATS II.

Dollar V o l u m e		Discount
From	To . .	
\$2,500	\$2,500 +	10%

7. Other:

Not applicable.

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SECTION 4 • RATES AND CHARGES, (CONT'D.)

ORIGINAL

4.10 Premier WATS I

1. Installation Charge: Not applicable
2. Monthly Access: \$10.00
3. Minimum Billing Increment: 30 seconds
4. Additional Billing Increment: 6 seconds
5. Per Minute Usage Charges:

A. Intrastate/InterLATA Per Minute Rates:

Mileage Range	Day	Evening	Night
All Miles	\$0.2100	\$0.1575	\$0.1050

B. Intrastate/IntraLATA Per Minute Rates:

Mileage Range	Day	Evening	Night
All Miles	\$0.2200	\$0.2200	\$0.2200

6. Discounts: Applies to interstate and intrastate calls.

Dollar Volume		Incremental
From	To	Discount
\$0.00	\$200.00	0 %
\$200.00	\$1,000.00	7 %
\$1,001.00	over	15 %

7. Other:

Not applicable.

ADMINISTRATIVELY
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SECTION 4 - BATES AND CHARGES, (CONT'D.)

ORIGINAL

4.11 Premier WATS II

1. Installation Charge: Not applicable
2. Monthly Access: \$10.00
3. Minimum Billing Increment: 30 seconds
4. Additional Billing Increment: 6 seconds
5. Per Minute Usage Charges:

A. Intrastate/InterLATA Per Minute Rates:

Mileage Range	Day	Evening	Night
All Miles	\$0.1950	\$0.1870	\$0.1770

B. Intrastate/IntraLATA Per Minute Rates:

Mileage Range	Day	Evening	Night
All Miles	\$0.2200	\$0.2200	\$0.2200

6. Discounts:

Applies to interLATA and intraLATA calls.

Dollar Volume		Incremental Discount
From	To	
\$0.00	\$100.00	0%
\$101.00	\$500.00	5%
\$501.00	\$1,500.00	10%
\$1,501.00	\$5,000.00	15%
\$5,001.00	\$5,001.00 +	20%

7. Other:

Not applicable.

ADMINISTRATIVELY
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SECTION 4 - BATES AND CHARGES, (CONT'D.)

ORIGINAL

4.12 Unlimited WATS - is a dedicated access service offering six second incremental billing, with itemized billing available.

1. Installation Charge:
 - a) \$140.00 per line within 25 miles of POP site.
 - b) Over 25 miles on individual case basis.
2. Monthly Access: \$125.00 per line
3. Minimum Billing Increment: 30 seconds
4. Additional Billing Increment: 6 seconds
5. Per Minute Usage Charges:

DAY	Evening	Night
\$0.1450	\$0.1200	\$0.0900

6. Discounts:

Dollar Volume		Discount
From	To	
\$0.00	\$5,000.00	0%
\$5,000.01	\$7,500.00	5%
\$7,500.01	\$10,000.00	7%
\$10,000.01	\$12,250.00	10%
\$12,250.01	\$15,000.00	12%
\$15,000.01	\$15,000.01 +	15%

7. Other:

Not applicable.

ADMINISTRATIVELY
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SECTION 4 • RATES AND CHARGES, (CONT'D.)

ORIGINAL

4.13 Association Discount

Commercial Association members who subscribe to any of the Company's services will receive a discount on the member's regular monthly statement based on the collective toll (day, evening, or night) usage billings of all Association members. The discount will be in accordance with the schedule shown below.

Collective Billing Amount				Volume Discount
From		To		
\$10.000	I	\$49.999	I	2 %
\$50,000		\$74,999		3%
\$75,000		\$99,999		4 %
\$100,000		Over		5%

The applicable processing fee for new customers will be waived for Association members who become Company Customers.

Monthly service charges, access charges or other applicable charges will remain in effect.

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SECTION 4 - RATES AND CHARGES, (CONT'D.)

ORIGINAL

4.14 Premier 1 WATS Service

1. Installation Charge: Not applicable
2. Monthly Access: \$10.00
3. Minimum Billing Increment: **30** seconds
4. Additional Billing Increment: **6** seconds
5. Per Minute Usage Charges:

A. InterLATA calling:

Dollar Volume		Per Minute Rate
From	To	
\$0	\$500	\$0.1800
\$501	\$1,500	\$0.1700
\$1,501	1,501 +	\$0.1650

B. IntraLATA calling:

Per minute: \$0.1800

IntraLATA calling will apply toward the volume discounts outlined above in subparagraph A. The calling timing provisions outlined in paragraphs 3 and 4 also apply. Access will be on a 1+ or dial up basis depending upon availability in the local service area.

6. Discounts:

Not applicable.

7. Other:

Not applicable.

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SECTION 4 - RATES AND CHARGES, (CONT'D.)

ORIGINAL

4.15 Premier Residential Service

- | | | |
|----|-------------------------------|----------------|
| 1. | Installation Charge: | Not applicable |
| 2. | Monthly Access: | \$0.00 |
| 3. | Minimum Billing Increment: | 30 Seconds |
| 4. | Additional Billing Increment: | 6 Seconds |
| 5. | Per Minute Usage Charges: | |

	Intrastate/ IntraLATA
Day:	\$0.2150
Evening:	\$0.1650
Night:	\$0.1400

Access will be on a 1+ or dial up basis depending upon availability in the local service area.

6. Discounts:
- Not applicable.
7. Other:
- Not applicable.

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SECTION 4 • RATES AND CHARGES, (CONT'D.)

ORIGINAL

4.16 Corporate 800 Service - access is provided through dedicated T-1 access facilities.

Installation and monthly access will be provided by local exchange carrier at their tariffed rates.

1. Installation Charges:
 - A. Set Up Fee: \$50.00
 - B. Customer Service Unit Installation: \$75.00
2. Monthly Charges:
 - A. Monthly Service Charge: \$20.00
 - B. Customer Service Unit Monthly Charge: \$35.00
3. Minimum Billing Increment: 18 Seconds
4. Additional Billing Increment: 6 Seconds
5. Per Minute Usage Charges:

Mileage Range	DAY		Evening		Night	
	First Minute	Add'l Minutes	First Minute	Add'l Minutes	First Minute	Add'l Minutes
All Miles	\$0.1250	\$0.1250	\$0.1050	\$0.1050	\$0.0880	\$0.0880

6. Discounts:

Volume Discounts

Dollar Volume		Incremental Discount
From	To	
\$0	\$9,999	0 %
\$10,000	\$29,999	15%
\$30,000	\$30,000 +	20%

7. Other:

Not applicable.

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ORIGINAL

SECTION 4 - RATES AND CHARGES, (CONT'D.)

4.17 Corporate WATS Service - is designed for large volume long distance users. Access is provided through dedicated T-1 access facilities. Installation and monthly access may be provided by the local exchange carrier at their interstate special tariffed rates. At locations where Company facilities exist, access may be provided in units equivalent to 1/24th of a T-1 access facility. Installation charges and monthly access rates for this service will be charged by the Company in accordance with its interstate rates.

1. Installation Charge: \$0.00
2. Monthly Access: \$0.00
3. Minimum Billing Increment: 18 Seconds
4. Additional Billing Increment: 6 Seconds
5. Per Minute Usage Charges:

Mileage Range	DAY		Evening		Night	
	First Minute	Add'l Minutes	First Minute	Add'l Minutes	First Minute	Add'l Minutes
All	1100	1100	1020	1020	0950	0950

6. Discounts:

Volume Discounts

Dollar Volume		Incremental Discount
From	To	
0	4,999	0 %
5,000	24,999	5 %
25,000	+	10%

7. Other:

- A. Customer Service Unit Installation \$75.00
- B. Customer Service Unit Monthly Charge \$35.00

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SECTION 4 - RATES AND CHARGES, (CONT'D.)

ORIGINAL

4.18 Premier 1 Plus Service - is a combined WATS/800 service for large volume users provided through switched access.

1. Installation Charge: \$20.00
2. Monthly Access: \$20.00
3. Minimum Billing Increment: 30 seconds
4. Additional Billing Increment: 6 seconds
5. Usage Charges:

A. Intrastate/InterLATA Per Minute Rates:

Usage Range	Rate
\$0-500	.1800
II \$501-1,500	.1700
II \$1,501+	.1650

B. Outgoing/IntraLATA Per Minute Rates:

Mileage Range	R a t e
All	\$.1800

6. Discounts:
Not applicable.

7. Other:

Not applicable.

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SECTION 4 - RATES AND CHARGES, (CONT'D.)

4.19 Premier Direct Service - is designed for large volume long distance users needing dedicated T- 1 services. Installation and monthly access may be provided by the local exchange carrier at their interstate special tariffed rates. At locations where Company facilities exist, access may be provided in units equivalent to 1/24th of a T-1 access facility. Installation charges and monthly access rates for this service will be charged by the Company in accordance with its interstate rates.

1. Installation Charges
 - A. Set Up: \$50.00
 - B. Customer Service Unit Installation: \$75.00
(Customer Service Unit is a diagnostic unit which permits off-site testing of the customer's lines.)
2. Monthly Charges:
 - A. Monthly Service Charge: \$20.00
 - B. Customer Service Unit Monthly Charge: \$35.00
3. Minimum Billing Increment: 18 seconds
4. Additional Billing Increment: 6 seconds
5. Usage Charges:

Intrastate/InterLATA Per Minute Rates:

U s a g e Range ..	.Incremental Rate . . .
\$0-1,500	.1350
\$1,501-2,500	.1300
\$2,501-5,000	.1250
\$5,001-7,500	.1200
\$7,500+	.1150
Evening, Night & Weekend Hours	.1000

6. Discounts:

Not applicable.
7. Other:
Not applicable.

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SECTION 4 - RATES AND CHARGES, (CONT'D.)

ORIGINAL

4.20 Expanded 800 Service Options

The following optional enhanced features may be used in conjunction with any BTI 800 service.

Enhanced 800 Features	Install	Change	Monthly
NPA Blocking	\$150	\$50	\$ 0
NPA/NXX Blocking	\$150	\$50	\$ 0
Time of Day Routing	\$100	\$50	\$ 5 0
Day of Week Routing	\$100	\$50	\$ 50
Holiday Routing	\$100	\$50	\$ 0
Uniform Call Distribution	\$100	\$100	\$ 0
Dialed Number Identification Svc.	\$450	\$50	\$50
Route Advance	\$100	\$50	\$50
Area Code Routing	\$100	\$50	\$50
Percentage Call Allocation	\$100	\$50	\$50
Intercept 800 (\$0.10 per call over 500 calls)	\$10	\$ 0	\$10

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SECTION 4 - RATES AND CHARGES, (CONT'D.)

ORIGINAL

- 4.21 Pre-Paid Call Service** • is offered at flat, per-minute rates listed below, twenty-four (24) hours a day, seven days a week. A discount applies for larger dollar amount cards, as indicated.

Group	Card Value	Per Minute Rate
Group 1	\$10.00	.5500
Group 2	\$20.00	.5400
Group 3	\$25. 00	.5200

Company agrees to refund any amounts remaining on a Pre-paid Call Service calling card upon physical return of the card. Refund will only be issued upon a satisfactory showing of the following: 1) that the service provided by Company has failed to meet either the service requirements set forth in the Commission's rules and regulations, or the general standards of quality applicable to the industry, 2) the user has returned the card to Company within 3 months of the original purchase, and 3) the user has submitted in writing detailed information on the basis for any requested refund. The Company will promptly investigate and advise the user as to its findings and disposition.

For consideration of any disputed charges, a user may discuss, either verbally or in writing and within 30 days of the date the disputed call is placed, the dispute with a Company representative, providing detailed information on the basis for any requested adjustment.

All federal, state and local taxes (e.g., excise tax, gross receipts tax, sales tax, municipal utilities taxes) are included in the tariffed rates above.

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SECTION 4 • BATES AND CHARGES, (CONT'D.)

ORIGINAL

4.22 Universal WATS • is a service designed for large volume Customers needing dedicated outbound long distance service.

1. Installation Charge: \$100.00 per WATS access line
2. Monthly Access: \$36.50 per WATS access line
3. Minimum Billing Increment: 30 seconds
4. Additional Billing Increment: 6 seconds
5. Per Minute Usage Charges:

Band	Day	Evening	Night
All Miles	.1550	.1400	.1210

6. Discounts:

Dollar Volume		Discount
From	To	
\$0.00	\$500.00	0%
\$501.00	\$2,000.00	10%
\$2,001.00	\$5,000.00	15%
\$5,001.00	over	18%

7. Other:

Not applicable.

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SECTION 4 - RATES AND CHARGES, (CONT'D.)

- 4.23 Premier Basic Service** - is offered to Customers who normally bill below \$100 per month. The service is billed at a postalized rate. Billing is in six (6) second increments following a minimum billing duration of thirty (30) seconds.

1. Installation Charge: \$0.00
2. Monthly Access: \$0.00
3. Minimum Billing Increment: 30 seconds
4. Additional Billing Increment: 6 seconds
5. Per Minute Usage Charges:

Intrastate Per Minute Rates:

Mileage Range	DAY		Evening		Night.	
	First Minute	Add'1 Minutes	First Minute	Add'l Minutes	First Minute	Add'l Minutes
All	0.2000	0.2000	0.1600	0.1600	0.1600	0.1600

6. Discounts:

Not applicable.
7. Other:

Not applicable.

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SECTION 4 - RATES AND CHARGES, (CONT'D.)

ORIGINAL

4.24 Personal 800 Service - is offered to Customers for toll-free inbound service. The service is billed at a postalized rate. Billing is in six (6) second increments following a minimum billing duration of thirty (30) seconds. Customers are provided Authorization Codes to direct the incoming call to a particular local access line.

1. Installation Charge: \$0.00
2. Monthly Access: \$5.00
3. Minimum Billing Increment: 30 seconds
4. Additional Billing Increment: 6 seconds
5. Per Minute Usage Charges:

B a n d	Day	Evening	Night
All Mileage	I .2200	.1625	.1385

6. Discounts:

Not applicable.
7. Other:

Not applicable.

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SECTION 4 - RATES AND CHARGES, (CONT'D.)

4.25 Guestcall II - is offered to the hospitality industry where usage is primarily during off-peak periods. Guestcall is billed in six (6) second increments following an initial billing period of thirty (30) seconds. Guestcall Customers must have actual off-peak usage equal to or greater than 60% of all traffic.

1. Installation Charge: \$0.00
2. Monthly Access: \$25.00
3. Minimum Billing Increment: 6 seconds
4. Additional Billing Increment: 6 seconds
5. Per Minute Usage Charges:

Band	Day	Evening	Night
All Mileage	.1850	.1500	.1500

6. Discounts:

Dollar Volume		Retroactive Discount
From	To	
\$0.00	\$499.99	0 %
\$500.00	\$2,499.99	5 %
\$2,500.00	\$9,999.99	7 %
\$10,000.00	over	10 %

7. Other:

Not applicable.

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SECTION 4 - RATES AND CHARGES, (CONT'D.)

4.26 Academic Edge - is a program for colleges and universities to provide service to students, faculty and staff. Depending on volume generated, service is provided by dedicated T-1 or switched access. Students are billed the rates below.

1. Installation Charge: Not applicable
2. Monthly Access: \$0.00
3. Minimum Billing Increment: one minute
4. Additional Billing Increment: whole minute
5. Per Minute Usage Charges:

Intrastate Usage Charges:

Mileage Range	DAY		Evening		Night	
	First Minute'	Add'l Minutes	First Minute	Add'l Minutes	First Minute	Add'l Minutes
1-10	.2400	.1100	.1560	.0715	.1200	.0550
11-22	.3400	.1600	.2210	.1040	.1700	.0800
23-55	.3500	.2000	.2435	.1365	.1950	.1050
56-124	.4100	.2500	.2805	.1655	.2300	.1350
125-292	.4200	.2700	.2950	.1850	.2350	.1500
293-over	.4300	.3000	.3180	.1980	.2600	.1600

6. Discounts:
Not applicable.
7. Other:
Not applicable.

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SECTION 4 - RATES AND CHARGES, (CONT'D.)

ORIGINAL

4.27 Premier I-800 Service - is an inbound service offered on a flat-rate, postalized basis. Calls are billed in six (6) second increments following an initial billing period of thirty (30) seconds. Service is provided over standard local access lines.

1. Installation Charge: \$0.00
2. Monthly Access: \$20.00
3. Minimum Billing Increment: 30 seconds
4. Additional Billing Increment: 6 seconds
5. Per Minute Usage Charges:

Dollar Volume		Incremental
From	To	Pricing
\$0.00	\$500.00	\$0.2100
\$500.01	\$1,500.00	\$0.2000
\$1,500.01	Over	\$0.1900

6. Discounts:

Not applicable.
7. Other:

Not applicable.

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SECTION 4 - RATES AND CHARGES, (CONT'D.)

4.28 Private Line Service - This product is offered in the form of discrete intrastate communications facilities which are dedicated to the specific Customer and are billed at fixed monthly rates. Private Line services consist of two components; 1) interexchange service between two of the Company's points of presence, and 2) local access between the Customer's Premise and the Company's point of presence.

1. Interexchange Service Rates

The Customer's monthly recurring interexchange service charges consist of a fixed rate and a per mile charge based on the airline mileage between the Company's points of presence serving the two Customer locations connected via the Private Line Service.

a. Analog Rates - per channel

Mileage	Fixed : . . .	Per Mile
1-50	\$66.55	\$2.64
51-101	\$137.32	\$1.22
101 -over	\$229.28	\$0.29

h. Digital Rates (DDS) - per channel

Mileage	Fixed	Per Mile
1-50	\$66.55	\$2.64
51-101	\$137.32	\$1.22
101-over	\$229.28	\$0.29

c. T-1 .5 Rates - per 24 channels

Mileage	Fixed	Per Mile
1 -over	\$518.42	\$9.92

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SECTION 4 • RATES AND CHARGES, (CONT'D.)

ORIGINAL

4.28 Private Line Service (Cont'd.)

2. Local Access Rates

Local access service to connect the Customer's premise to the Company's point of presence is charged by the serving local exchange carrier, or other carrier if applicable. These local access charges may be billed directly to the Customer by the local exchange carrier or passed through at cost to the Customer when billed by the Company.

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SECTION 4 - RATES AND CHARGES, (CONT'D.)

4.29 [Reserved for Future Use]

(M)

Material that originally appeared on this Page now appears on Page 73.

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SECTION 4 - RATES AND CHARGES, (CONT'D.)

4.30 [Reserved for Future Use]

(M)

Material that originally appeared on this Page now appears on Page 74.

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SECTION 4 - RATES AND CHARGES, (CONT'D.)

4.31 Travel Service Plus (989)

(T)

Travel Service (989) allows Customers to initiate calls within the State of Arizona using any touchtone telephone. It involves dialing an access number (local or 800), followed by the Customer's authorization code (Customer Identification Number), and then the called number.

(T)

- | | |
|----------------------------------|----------------|
| 1. Installation Charge: | Not applicable |
| 2. Monthly Access: | \$0.00 |
| 3. Minimum Billing Increment: | 30 seconds |
| 4. Additional Billing Increment: | 6 seconds |
| 5. Per Minute Usage Charges: | |

<u>Mileage Range</u>	<u>Day</u>	<u>Evening</u>	<u>Night</u>
All Miles	\$0.2700	\$0.2700	\$0.2700

Per Call Initiation Charge	\$0.00
----------------------------	--------

- | | |
|---------------|----------------|
| 6. Discounts: | Not Applicable |
| 7. Other: | Not Applicable |

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SECTION 4 • RATES AND CHARGES, (CONT'D.)

ORIGINAL

4.32 Hospitality Plus is a one plus outbound and/or inbound business service offered to hotels, motels and other locations which make their phones available to the public. A minimum **one-year** term commitment is required. Discounted Hospitality Plus rates apply when, 1) combined inbound and outbound one plus usage is less than 25% of all **traffic** originating from the location, and 2) 60% of inbound and outbound one plus usage is during the off-peak period.

- | | | |
|----|-------------------------------|----------------|
| 1. | Installation Charge: | Not applicable |
| 2. | Monthly Access: | \$0.00 |
| 3. | Minimum Billing Increment: | 30 seconds |
| 4. | Additional Billing Increment: | 6 seconds |
| 5. | Per Minute Usage Charges: | |

All Miles	One Year Term Plan
Outbound	\$0.1400
Inbound	\$0.1300

Customers who are not eligible for the discounted rates as described above will be billed \$0.155 per minute of use.

6. Discounts:

A three percent (3%) discount applies on usage under a two-year term plan. No other discounts apply.

7. Other:

If the customer cancels the one year minimum term or two year optional term before expiration, the customer will be billed for all remaining months an amount equal to \$350 per month for the one year term and \$250 per month for the two year term.

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ORIGINAL

SECTION 4 • RATES AND CHARGES, (CONT'D.)

- 4.33 **Conference Plus** - allows Customers to arrange two-way voice communications between two or more stations. Conference Plus setup is available through a Company operator or through 1-800 "Meet-Me" origination. Charges for Conference Plus consist of usage charges for each connected station, plus a per call setup charge for each connected station. The Customer is billed all usage and setup charges for all stations.

1. Installation Charge: Not applicable
2. Monthly Access: \$0.00
3. Minimum Billing Increment: One minute each station
4. Additional Billing Increment: One minute each station
5. Per Minute Usage Charges:

Time of Day	Per Station Charges	
	Per Minute Usage	Per Call Setup
12:00 AM Monday - 11:59 PM Friday	\$0.39	\$2.50
12:00 AM Saturday - 11:59 PM Sunday	\$0.24	\$2.50

6. Discounts:

Dollar Volume		Retroactive Discount
From	To	
\$0.00	\$499.99	0%
\$500.00	\$999.99	8%
\$1,000.00	\$1,499.99	10%
\$1,500.00	over	12%

7. Other:

Not applicable.

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ORIGINAL

SECTION 4 - RATES AND CHARGES, (CONT'D.)

- 4.34 Operator Services** - The use of the Company's Operator Services allows Customer to select from the special call handling or billing arrangements specified below. Call, rates, charges, and applicable service charges will be assessed to the call originator, the called party's telephone number or a third party's telephone number based upon the call type (i.e., operator dialed, collect, third party billed, or customer dialed credit card billed, without the use of an operator's assistance) initiated by the call originator and the appropriate acknowledgment of other parties, where applicable.

Intrastate Usage Charges:

Mileage Range	DAY		Evening		Night	
	First Minute	Add'l Minutes	First Minute	Add'l Minutes	First Minute	Add'l Minutes
1-10	.2400	.1100	.1560	.0715	.1200	.0550
11-22	.3400	.1600	.2210	.1040	.1700	.0800
23-55	.3500	.2000	.2435	.1365	.1950	.1050
56-124	.4100	.2500	.2805	.1655	.2300	.1350
125-292	.4200	.2700	.2950	.1850	.2350	.1500
293-over	.4300	.3000	.3180	.1980	.2600	.1600

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SECTION 4 • RATES AND CHARGES, (CONT'D.)

ORIGINAL

4.34 Operator Services (Cont'd.)

B. Operator Charges:

The following shall be in addition to the usage charge described above and based on the Operator Service used:

TYPE OF SERVICE		CHARGE PER CALL
1.	Station to Station	
(a)	Customer Dialed Calling Card (credit card)	\$0.50
(b)	Operator Assisted Calling Card (0+)	\$0.50
(c)	Operator Assisted Calling Card (0-)	\$1.30
(d)	Collect (0+)	\$1.30
(e)	Collect (0-)	\$2.30
(f)	Third Party (0+)	\$1.30
(g)	Third Party (0-)	\$2.30
2.	Person to Person	
(a)	0+	\$3.00
(b)	0-	\$4.00

ADMINISTRATIVELY
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SECTION 4 - RATES AND CHARGES, (CONT'D.)

ORIGINAL

4.35 **Home Plus** - is an outbound service primarily targeted to residential customers. Calls are billed on a postalized, peak/off-peak basis. Call timing is rounded up to the next whole minute increment following an initial increment of one minute. There is no monthly minimum usage requirement or monthly recurring charges.

1. Installation Charge: Not applicable
2. Monthly Access: \$0.00
3. Minimum Billing Increment: one minute
4. Additional Billing Increment: one minute
5. Per Minute Usage Charges:

Mileage Range	Peak	Off-Peak
All Miles	\$0.1900	\$0.1300

6. Discounts:

Not applicable.

7. Other:

Not applicable.

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ORIGINAL

SECTION 4 - RATES AND CHARGES, (CONT'D.)

4.36 [Reserved for Future Use]

(M)

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ORIGINAL

SECTION 4 - RATES AND CHARGES, (CONT'D.)

4.37 PhonePlus Telesales - is a combined outbound and inbound service offered on a **peak/off-peak**, postalized rate basis. Calls are billed in six (6) second increments following an initial billing period of eighteen (18) seconds. Service is provided over standard local access lines.

1. Installation Charge: \$0.00
2. Monthly Access: \$0.00
3. Minimum Billing Increment: 18 seconds
4. Additional Billing Increment: 6 seconds
5. Per Minute Usage Charges:

Per Minute Usage Rates	Outbound/Inbound Rate per Minute	
	Peak	Off-Peak
Outbound	\$0.145	\$0.145
Inbound	\$0.145	\$0.145

6. Discounts:
Not applicable
7. Other:
Not applicable

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ORIGINAL

SECTION 4 - RATES AND CHARGES, (CONT'D.)

4.38 [Reserved for Future Use]

(D)

(D)

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ORIGINAL

SECTION 4 - RATES AND CHARGES, (CONT'D.)

4.39 10833 Residential Service is an outbound service offered on a peak/off-peak postalized basis. Calls are billed in whole minute increments following an initial billing period of one minute. Service is accessed by dialing the Company's "10833" access code.

1. Installation Charge: \$0.00
2. Monthly Access: \$0.00
3. Minimum Billing Increment: whole minute
4. Additional Billing Increment: whole minute
5. Per Minute Usage Charges:

Per Minute. Usage Rates	Outbound Rate per Minute	
	Peak	Off-Peak
All miles	\$0.199	\$0.139

6. Discounts:
Not applicable
7. Other:
Not applicable

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SECTION 4 - RATES AND CHARGES, (CONT'D.)

ORIGINAL

4.40 **Home Plus 100** - is an outbound service primarily targeted to residential Customers. Calls are billed on a postalized, peak/off-peak basis. Call timing is rounded up to the next whole minute increment following an initial increment of one minute. There is no monthly minimum usage requirement or monthly recurring charges. Customers receive a one-time bonus of the first one hundred (100) minutes of off-peak domestic usage (excluding directory assistance) for \$1 .00. The following per minute rates apply to peak and off-peak thereafter.

1. Installation Charge: \$0.00
2. Monthly Access: \$0.00
3. Minimum Billing Increment: whole minute
4. Additional Billing Increment: whole minute
5. Per Minute Usage Charges:

Per Minute Usage Rates	Outbound Rate.. per Minute	
	Peak	Off-Peak
All miles	\$0.190	\$0.130

6. Discounts:
Not applicable
7. Other:
Not applicable

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ORIGINAL

SECTION 4 - RATES AND CHARGES, (CONT'D.)

4.41 [Reserved for Future Use]

(D)

(D)

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SECTION 4 - RATES AND CHARGES, (CONT'D.)

4.42 [Reserved for Future Use]

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ORIGINAL

SECTION 4 - RATES AND CHARGES, (CONT'D.)

4.43 [Reserved for Future Use]

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SECTION 4 - RATES AND CHARGES, (CONT'D.)

ORIGINAL

- 4.44 Corporate Edge** - is a combined outbound and inbound service designed for business Customers. Business Customers are eligible for a discount based upon their monthly volume and the term plan selected. Customers must sign a one year or three year term plan for this service. Calls are billed in six (6) second increments after an initial period, for billing purposes, of eighteen (18) seconds.

4.44.1 Per Minute Rates - One Year Term Plan:

Monthly Volume	\$0.00 - \$500.00	\$501.00 - \$1,000.00	\$1,001.00 - \$1,500.00	\$1,501.00 +
Per Minute Rate	\$0.1850	\$0.1795	\$0.1758	\$0.1721

4.44.2 Per Minute Rates - Three Year Term Plan:

Monthly Volume	\$0.00 - \$500.00	\$501.00 - \$1,000.00	\$1,001.00 - \$1,500.00	\$1,501.00 +
Per Minute Rate	\$0.1795	\$0.1739	\$0.1702	\$0.1665

4.44.3 Monthly Recurring Fee

Monthly Recurring Fee **\$4.95**

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ORIGINAL

SECTION 4 • RATES AND CHARGES, (CONT'D.)

- 4.45 Corporate Edge Dedicated** • is a combined outbound and inbound service designed for Business Customers. Customers must sign a one year or three year term plan for this service. Calls are billed in six (6) second increments after **an** initial period, for billing purposes, of eighteen (18) seconds. Customers must enroll for the service by November 30, 1998.

4.45.1 Per Minute Rates • One Year Term Plan:

1+ Outbound Service	\$0.0870
Inbound Toll Free Service	\$0.0870

4.45.2 Per Minute Rates • Three Year Term Plan:

1+ Outbound Service	\$0.0850
Inbound Toll Free Service	\$0.0850

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ORIGINAL

SECTION 4 - RATES AND CHARGES, (CONT'D.)

4.46 [Reserved for Future Use]

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SECTION 4 - RATES AND CHARGES, (CONT'D.)

ORIGINAL

4.47 BTI Purchasable Discount Plan

BTI's Purchasable Discount Plan allows the new Business Customer who subscribe to BTI Corporate Connections switched service the option to receive a 10% discount on all interstate and intrastate calls for a one time fee of one hundred (\$100.00) dollars, good for one year. The discount plan is only available to new switched customers and does not apply to international calls or other BTI services.

The Interstate monthly recurring fee associated with the Corporate Connection product still applies.

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SECTION 4 - RATES AND CHARGES, (CONT'D.)

4.48 [Reserved for Future Use]

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ORIGINAL

SECTION 4 - RATES AND CHARGES, (CONT'D.)

4.49 Corporate Edge - PT1

Corporate Edge - PT1 is a combined outbound and inbound service for 1+ and toll free long distance service designed primarily for business Customers. Travel card rates are the standard Travel Service rates as defined in this Tariff. Customers are eligible for a discounted flat rate and must sign a one year term plan for this service. Calls are billed in six (6) second increments after an initial period, for billing purposes, of eighteen (18) seconds. Intrastate service is offered as an add on to interstate service.

4.49.1 Per Minute Rate

\$0.1665

* - All material on this Page is new.

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SECTION 4 - RATES AND CHARGES, (CONT'D.)

4.50 Corporate Edge - PT2

Corporate Edge - PT2 is a combined outbound and inbound service for 1+ and toll free long distance service designed primarily for business Customers. Travel card rates are the standard Travel Service rates as defined in this Tariff. Customers are eligible for a discounted flat rate and must sign a one year term plan for this service. Calls are billed in six (6) second increments after an initial period, for billing purposes, of eighteen (18) seconds. Intrastate service is offered as an add on to interstate service.

4.50.1 Per Minute Rate

\$0.1702

* - All material on this Page is new.

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SECTION 4 - RATES AND CHARGES, (CONT'D.)

4.51 Corporate Edge - PT3

Corporate Edge - PT3 is a combined outbound and inbound service for 1+ and toll free long distance service designed primarily for business Customers. Travel card rates are the standard Travel Service rates as defined in this Tariff. Customers are eligible for a discounted flat rate and must sign a one year term plan for this service. Calls are billed in six (6) second increments after an initial period, for billing purposes, of eighteen (18) seconds. Intrastate service is offered as an add on to interstate service.

4.51.1 Per Minute Rate

\$0.1739

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SECTION 4 - RATES AND CHARGES, (CONT'D.)

4.52 BTI Switched Off-Net Long Distance

BTI Switched Off-Net Long Distance is a direct dialed outbound and inbound long distance service designed for Business Customers whose origination or terminating traffic is not to a BTI long distance switch. Customers must sign a one-year term agreement for this service. Calls are billed in six (6) second increments following an initial billing period of eighteen (18) seconds. Intrastate service is offered in conjunction with interstate service.

4.52.1 Per Period Usage Rates:

	Monthly <u>Volume*</u>	Outbound <u>Service</u>	Toll Free <u>Service</u>
Switched off-net Long Distance (216)	Any	\$0.1750	\$0.1750

* - Volume does not include any surcharges, taxes or other similar fees.

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ORIGINAL

SECTION 4 - RATES AND CHARGES, (CONT'D.)

4.53 International Heritage (186)

International Heritage is a flat rate combined outbound and inbound toll free service offered to Customers. Calls are billed in six (6) second increments after an initial period, for billing purposes, of thirty (30) seconds. This service is only offered with interstate service.

4.53.1 Per Minute Rates

1+ Outbound Service	\$0.1744
Inbound Toll Free	\$0.1744

4.53.2 Monthly Recurring Charge

Monthly Recurring Charge	\$3.95
--------------------------	--------

4.53.3 Travel Service (986)

The rates and billing increments for travel card calls affiliated with this product will be those specified below.

<u>Mileage Range</u>	<u>Day</u>	<u>Evening</u>	<u>Night</u>
All Miles	\$0.25	\$0.25	\$0.25
Per Call Surcharge	\$0.39		

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SECTION 4 - RATES AND CHARGES, (CONT'D.)

4.54 Travel Service (980)

Travel Service (980) permits Customers to initiate calls within the State of Arizona using a touchtone telephone. It involves dialing an access number (local or 800), followed by the Customer's authorization code (Customer Identification Number), and then the called number.

4.54.1	Installation Charge:	Not applicable
4.54.2	Monthly Access:	\$0.00
4.54.3	Minimum Billing Increment:	Thirty (30) Seconds
4.54.4	Additional Billing Increment:	Six (6) Seconds
4.54.5	Usage Charges:	

Intrastate Per Minute Rates:

Day	\$0.2200
Evening	\$0.1800
Night/Weekend	\$0.1800

4.54.6	Per Call Initiation Fee	\$0.60
--------	-------------------------	--------

(N)

(N)

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SECTION 4 - RATES AND CHARGES, (CONT'D.)

4.55 Travel Service (981)

Travel Service (981) allows Customers to initiate calls within the State of Arizona using any touchtone telephone. It involves dialing an access number (local or 800), followed by the Customer's authorization code (Customer Identification Number), and then the called number.

4.55.1	Installation Charge:	Not Applicable
4.55.2	Monthly Access:	\$0.00
4.55.3	Minimum Billing Increment:	Thirty (30) Seconds
4.55.4	Additional Billing Increment:	Six (6) Seconds
4.55.5	Per Minute Rates:	

Usage Range:

Day
Evening
Night/Weekend

Intrastate/IntraLATA Rate:

\$0.2700
\$0.2700
\$0.2700

4.55.6	Per Call Initiation Fee	\$0.25
--------	-------------------------	--------

(N)

(N)

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ORIGINAL

SECTION 4 - RATES AND CHARGES, (CONT'D.)

4.55 Travel Card (995)

Travel Card (995) allows Customers to initiate calls anywhere within the State of Arizona by using any touchtone telephone. It involves dialing a Toll Free access number, followed by the Customer's authorization code (Customer Identification Number), and then the called number. Intrastate service is offered in conjunction with interstate and international service.

4.55.1	Per Minute Rate:	\$0.1700
4.55.2	Per Call Surcharge:	\$0.00
4.55.3	Minimum Billing Increment	Thirty (30) Seconds
4.55.4	Additional Billing Increment	Six (6) Seconds

(N)

(N)

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SECTION 4 - RATES AND CHARGES, (CONT'D.)

4.55 Bottom Line

Bottom Line is a bundled product offering that combines outbound and inbound service designed for business Customers. All calls are billed in six (6) second increments after an initial period, for billing purposes, of thirty (30) seconds. Customers must sign a term plan for this product and agree to a minimum monthly usage level of \$100. Actual usage under \$100 will be billed at the monthly minimum level. Interstate monthly charges apply for toll-free services.

Per Minute Rates - One Year Term Plan:		Outbound <u>Service</u>	Toll-free <u>Service</u>
(A)	Switched Service (370)	\$0.1390	\$0.1390
Per Minute Rates - Two Year Term Plan:		Outbound <u>Service</u>	Toll-free <u>Service</u>
(A)	Switched Service (371)	\$0.1350	\$0.1350
Per Minute Rates - Three Year Term Plan:		Outbound <u>Service</u>	Toll-free <u>Service</u>
(A)	Switched Service (372)	\$0.1300	\$0.1300

(N)

(N)

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SECTION 5 – GRANDFATHERED SERVICES

5.1 PhonePlus Switched Access Service*

(M)(T)

PhonePlus Switched Access Service is a combined outbound and inbound service offered on a peak/off-peak, postalized rate basis. Calls are billed in six (6) second increments following an initial billing period of eighteen (18) seconds. Service is provided over standard local access lines. Per minute usage charges are based on monthly volume commitments and annual term plans as set forth below. Travel service and international service combines with outbound and inbound PhonePlus Service to satisfy the volume commitment. Volume commitment is calculated before term commitment.

(M)(T)
(M)

1. Installation Charge: \$0.00
2. Monthly Access: \$10.00
3. Minimum Billing Increment: 18 seconds
4. Additional Billing Increment: 6 seconds
5. Per Minute Usage Charges:

		<u>Outbound/Inbound Rate Per Minute</u>	
<u>Monthly Revenue Commitment</u>		<u>Peak</u>	<u>Off-Peak</u>
\$0 - \$1,000	(367)	\$0.155	\$0.155
\$1,001 - \$5,000	(368)	\$0.150	\$0.150
\$5,001 – over	(369)	\$0.145	\$0.145

6. Discounts: (367,368, 369)

<u>Monthly Revenue Commitment</u>	<u>Term Discounts</u>		
	<u>1 Year</u>	<u>2-Year</u>	<u>3-Year</u>
\$0 - \$1,000	3%	6%	9%
\$1,001 - \$5,000	3%	6%	9%
\$5,000 – over	3%	6%	9%

7. Other:

Customers will be billed the difference between the actual usage and the minimum volume commitment if the minimum volume commitment is not achieved on an annualized basis. Customers who cancel the service before the end of the term commitment will be billed the minimum monthly volume commitment for each month remaining on the term plan.

(M)

* - Grandfathered to existing Customers at existing locations.

Material that appears on this Page originally appeared on Page 48.

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SECTION 5 – GRANDFATHERED SERVICES, (CONT'D.)

5.2 PhonePlus Dedicated Access Service*

(M)(T)

PhonePlus Dedicated Access Service is a combined outbound and inbound service offered on a peak/off-peak, postalized rate basis. Calls are billed in six (6) second increments following an initial billing period of eighteen (18) seconds. Service is provided over customer-provided dedicated access facilities. Per minute usage charges are based on monthly volume commitments and annual term plans as set forth below. Travel service and international service combines with outbound and inbound PhonePlus Service to satisfy the volume commitment. Volume commitment is calculated before term commitment.

(M)(T)
(M)

1. Installation Charge: \$0.00
2. Monthly Access: \$0.00
3. Minimum Billing Increment: 18 seconds
4. Additional Billing Increment: 6 seconds
5. Per Minute Usage Charges:

		<u>Outbound/Inbound Rate Per Minute</u>	
<u>Monthly Revenue Commitment</u>		<u>Peak</u>	<u>Off-Peak</u>
\$1,000 - \$10,000	(760)	\$0.100	\$0.100
\$10,000 +	(761)	\$0.095	\$0.095

6. Discounts: (760, 761)

<u>Monthly Revenue Commitment</u>	<u>Term Discounts</u>		
	<u>1 Year</u>	<u>2 Year</u>	<u>3 Year</u>
\$1,000 - \$10,000	3%	6%	9%
\$10,000 +	3%	6%	9%

7. Other:

Customers will be billed the difference between the actual usage and the minimum volume commitment if the minimum volume commitment is not achieved on an annualized basis. Customers who cancel the service before the end of the term commitment will be billed the minimum monthly volume commitment for each month remaining on the term plan.

(M)

* - Grandfathered to existing Customers at existing locations.

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SECTION 5 – GRANDFATHERED SERVICES, (CONT'D.)

5.3 Business Connections Long Distance*

(M)(T)

Business Connections Long Distance is a combined outbound and inbound service which originates/terminates over either switched or dedicated access lines. Nationwide flat rate pricing applies twenty-four hours per day, seven days per week. Calls are billed in six (6) second increments following an initial billing period of eighteen (18) seconds. Customers must sign up for a minimum one-year term plan. Additional discounts are available for multi-year term plan agreements. Dedicated Access Customers are responsible for all dedicated or private facilities required to connect to the Company's network.

(M)(T)
(M)

- | | |
|----------------------------------|----------------|
| 1. Installation Charge: | Not applicable |
| 2. Monthly Access: | \$0.00 |
| 3. Minimum Billing Increment: | 18 seconds |
| 4. Additional Billing Increment: | 6 seconds |
| 5. Per Minute Usage Charges: | |

<u>Term Plan</u>		<u>Rate Per Minute</u>	
One Year Term	(373)	\$0.1390	\$0.0890
Two Year Term	(374)	\$0.1350	\$0.0850
Three Year Term	(375)	\$0.1300	\$0.0800

6. Discounts:

Family Values Discount - Family Values Discount Program is available to Customers of Business Connections Long Distance. Customers enroll in the program by offering the Company's Home Plus long distance service to the Customer's employees. The Customer receives a credit on the Business Connection invoice equivalent to 5% of the total aggregate usage of the employees. Sign up forms for both the Customer and the employees must be completed and returned to the Company.

7. Other: Not Applicable

(M)

* - Grandfathered to existing Customers at existing locations.

Material that appears on this Page originally appeared on Page 56.

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SECTION 5 – GRANDFATHERED SERVICES, (CONT'D.)

5.4 Corporate Connections 272* (272)

(M)(T)

Corporate Connections 272 is a combined outbound and inbound service designed for business Customers. Calls are billed in six (6) second increments after an initial period, for billing purposes, of eighteen (18) seconds. There is an interstate monthly recurring charge associated with this product. Customers must sign a one year term plan for this product. Standard monthly fees for toll free service still apply.

(M)(T)

(M)

5.4.1 Per Minute Rate

1+ Outbound Service	\$0.1744
Inbound Toll Free Service	\$0.1744

(M)

* - Grandfathered to existing Customers at existing locations.

Material that appears on this Page originally appeared on Page 62.

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SECTION 5 – GRANDFATHERED SERVICES, (CONT'D.)

5.5 Corporate Direct* (279)

(M)(T)

Corporate Direct is a combined outbound and inbound service designed for business Customers. Calls are billed in six (6) second increments after an initial period, for billing purposes, of eighteen (18) seconds. There is an interstate monthly recurring charge associated with this product. Customers must sign a one-year term plan for this product. Standard monthly fees for toll free service still apply.

(M)

5.5.1 Per Minute Rate

1+ Outbound Service	\$0.1641
Inbound Toll Free Service	\$0.1641

(M)

* - Grandfathered to existing Customers at existing locations.

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SECTION 5 – GRANDFATHERED SERVICES, (CONT'D.)

5.6 Corporate Connections*

(M)(T)

Corporate Connections is a combined outbound and inbound service designed for business Customers that subscribe to BTI service within the eligibility period specified below. Calls are billed in six (6) second increments after an initial period, for billing purposes, of eighteen (18) seconds. There is an interstate monthly recurring charge associated with this product. Customers must sign a one year or three year term plan for this product. Three-year term plan customers also must commit to \$500 in monthly volume to be eligible for the reduced rate.

(M)(T)

(M)

5.6.1 Per Minute Rates - One Year Term Plan:

	Outbound Service	Toll-free Service
(A) Switched Service (165)	\$0.1550	\$0.1550
(B) Dedicated Service (765)	\$0.1550	\$0.1550

5.6.2 Per Minute Rates - Three Year Term Plan:

	Outbound Service	Toll-free Service
(A) Switched Service (166)	\$0.1150	\$0.1150
(B) Dedicated Service (766)	\$0.1150	\$0.1150

(M)

* - Grandfathered to existing Customers at existing locations.

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SECTION 5 – GRANDFATHERED SERVICES, (CONT'D.)

5.7 Millennium Service*

(M)(T)

Millennium Service is a combined outbound and inbound switched service designed exclusively for new Business Customers in which the majority of their long distance traffic is interstate. Calls are billed in six (6) second increments after an initial period, for billing purposes, of eighteen (18) seconds. Customers must sign a one-year term plan for this product. Intrastate service is offered in conjunction with interstate service. There is an interstate monthly recurring charge associated with this product.

(M)(T)

5.7.1 Per Minute Rate

1+ Outbound Service	\$0.1750
Inbound Toll Free	\$0.1750

(M)

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